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FIXED ASSET MANUAL 1

FIXED ASSET MANUAL

DISPOSING OF AN ASSET

INTRODUCTION

In this Appendix

- Single asset dispositions (from STARS)
- Single asset dispositions (from FAS)
- Multiple asset dispositions
- Deleting a disposition record
- Transactions automatically generated by FAS

An asset may be disposed of in a variety of ways - for example, sale, transfer, trade-in, abandonment, or donation.

The purpose of recording the disposition is:

- To record any receipt of cash, property, or a reduction of a liability.
- To reduce the STARS General Ledger account by the original amount of the asset.
- To remove the accumulated depreciation associated with the asset being disposed.
- To record any resulting gain or loss.

Thus, when you enter a disposition transaction in FAS, FAS automatically credits the STARS General Ledger asset account, removes the accumulated depreciation, and records any resulting gain or loss.

SINGLE ASSET DISPOSITIONS FROM STARS

To complete this type of disposition, you will select the record in the FAS Hold File, enter data in the S033 STARS Generated to FAS Data Entry Screen, and then release the disposition transaction.

TO SELECT A RECORD FROM THE HOLD FILE

Begin the disposition process by doing the following:

1. At the STARS Main Menu, type F in the FUNCTION field and press ENTER.

2. Type 32 in the FUNCTION field and press ENTER to access the Hold File.

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3. Type R in the FUNCTION field.

4. If necessary, type your agency number in the AGENCY field first. Most agencies will not have to do this.

5. To simply display the list of your agency's assets, press ENTER. Then to 'scroll' to the next page of records, type N in the FUNCTION field, then press ENTER until you locate the asset you need. Otherwise continue with the steps below.

6. Type the property number of the asset in the PROPERTY NO: field.

7. Type the component number of the asset in the COMPONENT NO: field, and then press ENTER. The asset will be the first in a list of records.

8. Type an S in the FUNCTION field then press TAB until you reach the '_'space in the S/X column, next to the record. (The SRC column will show an S meaning that the record came from STARS. An 'F' in the SRC column means the record originated in FAS.)

S032 Example of records recalled (note the S/X and SRC columns)

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VERSION 3.1                       FAS – HOLD FILE                          S032
 FUNCTION: R (R=RECALL, F=FIRST, N=NEXT, P=PRIOR, S=SELECT)

 AGENCY: 230  PROPERTY NO:              COMPONENT NO: 00

S/X PROPERTY   CMP SEQ   REF PROP   CMP   CUR DOC     ADT DATE     ADT AMOUNT
    TYPE  SRC  DESCRIPTION                            FAS TC   APP     STATUS
 ------------------------------------------------------------------------------
 _   OLDTRKST17 00  0001  OLDTRKST17 00               10/05/2001        2000.00
     P    S                                           S04      4
 _   OLDTRKST18 00  0001  OLDTRKST18 00               10/05/2001        2000.00
     P    S                                           S04      4
 X   OLDTRKST19 00  0001  OLDTRKST19 00               10/05/2001        2000.00
     P    S                                           S04      4
```

9. Type either an S or an X in the space next to the record and press F1 or ENTER to open the screen as seen in the example below.

   ▪ Records that originated in STARS have an 'S' in the SRC column. When this type of record is selected, the STARS to FAS Data Entry (S033) screen will open.

   ▪ Records that were manually entered into FAS will have an 'F' in the SRC column. When this type of record is selected, the FAS Direct Data Entry (S035) screen will open.

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DATA ENTRY STEPS FOR THE STARS GENERATED TO FAS DATA ENTRY SCREEN S033

On the STARS GENERATED TO FAS DATA ENTRY SCREEN (S033) do the following:

1. Verify that the property number and component number are correct.

    ▪ If the property and component numbers are correct, type a C in the FUNCTION field, to change/update the information for this asset number.

    ▪ If the property and component numbers are *incorrect*, type an A in the FUNCTION field. Then type in a property and component number that matches the property number for the asset on the Property File S040.

2. Review the Transaction Code in the FAS TC field. It should be S01, S02, S03, or S04. (You can interrupt to (S030 screen) to recall TABLE-ID-NUMBER 15 to review transaction codes).

    ▪ If the FAS TC is correct for the asset class, no additional action is required.).

    ▪ If the Transaction Code is *incorrect* for the asset class, change it by typing in the correct transaction code.

S033 Example - STARS Generated to FAS Data Entry Screen with data entered

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VERSION 3.1            STARS GENERATED TO FAS DATA ENTRY SCREEN            S033

AGY: 230 PROP NO: OLDTRKST19 COMP NO: 00 SEQ NO: 0002  ADT AMT:       2000.00
ADT DT: 10052001 BFY:  2002   STATUS: P  APP LVL: 4   REM AMT:        2000.00
------------------------------------------------------------------------------
FUNCTION: C (R=RECALL, A=ADD, C=CHANGE, D=DELETE, U=UNDO, N=NEXT, P=PREVIOUS,
          Y=APPROVE, H=HOLD)
AGENCY : 230     PROP  NO: OLDTRKST19     COMP NO: 00 SEQ NO: 0002 AGY SFX:
FAS  TC: S04     REF PROP: OLDTRKST19     REF CMP: 00 STATUS: D    OWNRSHP:
DSP MTH: S       ADT   AMT:               ACQ MTH:    CLS CD:      CLS SFX:
DISP % : 100     ADT DATE: 10052001       ST  MTH:    RSK MG:      COND CD:
QTY    : 0000001 INSRV DT:                AGY MTH:    U LIFE:      CAP IND:
QTY UNT:         RPLC AMT:                INS IND:    SAL VAL:
LOCAT1 :         DESC:
LOCAT2 :                      PO NO  :             MODEL YR:     MFR:
LAST NM:                      FIRST  :             MID INIT:
SERIAL :                      LICENSE:             ODOMETER:
COMMENT:                                           CURR DOC:
DEPR DT:            ST DEPR:                        AGY DEPR:
INVNTRY:                         INTERRUPT:
Z02 RECORD SUCCESSFULLY CHANGED
PLEASE ENTER FUNCTION
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3. Type one of the following status codes in the STATUS field.

   ▪ D (disposed) - for a full disposition.

   ▪ U (in use) - for a partial disposition

   ▪ I (idle) - for a partial disposition

   ▪ S (in storage) - for a partial disposition

   ▪ L - for a partial disposition

   A partial disposition is used to record the status of the *remaining* portion of the asset.

4. Type an S (for Sold) in the DSP MTH field.

5. Type a three digit disposition percentage in the DISP % field.

   ▪ Type 100 for a full disposition.

   ▪ For a partial disposition, type a leading zero and two digits. For example, type 017 for a disposition percentage of 17%. NOTE: If the asset has had a partial disposition previously, you will still calculate the disposition percentage the same way. Divide the amount being disposed by the *original* quantity.

6. Determine if the disposition date should be entered.

   ▪ If processing a full disposition, the disposition date must be entered in the ADT DATE field.

   ▪ If processing a partial disposition, leave the ADT DATE field blank.

7. Type the quantity in the QTY field.

   ▪ For a full disposition, the quantity should equal the quantity of the asset in the FAS Property File.

   ▪ For a partial disposition, the quantity must be greater than zero, but less than the quantity of the asset in the FAS Property File.

8. Press F1 or ENTER to post the record to the FAS Property File.

   ▪ If you do not have disposition release authority (i.e., approval level 3 or lower), the 'INVALID APPROVAL LEVEL' message will display in the message section of the screen and the status in the FAS Hold File record will be 'H' (held). You will need to exit the record.

   ▪ If you have disposition release authority (i.e., approval level 4 or greater), a 'RECORD SUCCESSFULLY CHANGED' or 'RECORD ADDED' message will display in the message section of the screen. The status of the FAS Hold File record will have changed to 'P' (posted).
   NOTE: The message received depends on whether you typed a 'C' or an 'A' in the FUNCTION field.

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TO RELEASE A DISPOSITION TRANSACTION

The person with disposition release authority (i.e., approval level 4 or greater) can process a disposition by doing the following:

1. At the STARS Main Menu, type F in the FUNCTION field and press ENTER.

2. Type 32 in the FUNCTION field and press ENTER to access the Hold File.

3. Type R in the FUNCTION field.

4. If necessary, type your agency number in the AGENCY field first. Most agencies will not have to do this.

    ▪ To simply display the list of your agency's assets, press ENTER. Then to 'scroll' to the next page of records, type N in the FUNCTION field, then press ENTER until you locate the asset you need. Otherwise continue with the steps below.

5. Type the property number of the asset in the PROPERTY NO: field.

6. Type the component number of the asset in the COMPONENT NO: field, and then press ENTER. The asset will be the first in a list of records.

7. Type an S in the FUNCTION field then press TAB until you reach the space in the S/X column, next to the record. (The SRC column for the record will show an S meaning that the record came from STARS. An 'F' in the SRC column means the record originated in FAS.)

8. Type an S or an X in the space next to the record and press F1 or ENTER to open a record, as seen in the example below.

    ▪ Records that originated in STARS have an 'S' in the SRC column. When this type of record is selected, the STARS Generated to FAS Data Entry (S033) screen will open.

    ▪ Records that were manually entered into FAS will have an 'F' in the SRC column. When this type of record is selected, the FAS Direct Data Entry (S035) screen will open.

9. Review the record.

    ▪ If the record is correct, Type a Y (Approve) in the FUNCTION field and press ENTER. The 'RECORD SUCCESSFULLY POSTED' message should display in the message screen and the status of the FAS Hold File record should display 'P', for posted.

    ▪ If the selected record is incorrect, exit the record. Notify the data entry person of the changes needed. Once the changes are made, open the record again and approve it as described above.

10. If you have more than one record to release, type an N in the FUNCTION field and press ENTER to display the next group of records. Repeat the steps above until all held records have been successfully released.

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Once the dispositions have been processed from the FAS Hold File, the FAS Property File will show a disposition amount, method, and percent for each disposed asset. For full dispositions the disposition date will also show, and the STATUS will be 'D'.

SINGLE ASSET DISPOSITIONS ORIGINATING IN FAS

Asset dispositions that originate in FAS are entered from the FAS direct data entry screen (S035) to the FAS Hold File.

This section applies if an asset is disposed, but not recorded properly in STARS in order to create an extract record into FAS, or if the extract record was deleted. It is important to note the distinction between full and partial dispositions:

- Full disposition: The entire asset is being disposed. For instance, selling an automobile would be a full disposition and the disposition percentage would be 100%.

- Partial disposition: Only part of the asset is being disposed. For example, selling 5 of 80 acres of land would be a partial disposition. (The disposition percentage would be 7% - 5 divided by 80).

DATA ENTRY STEPS FOR THE FAS DIRECT DATA ENTRY SCREEN S035

Use the following steps to dispose of an asset:

1. On the FAS Main Menu, type 35 in the FUNCTION field and press ENTER.

2. Type an A in the FUNCTION field, and type the property number and component number in the PROP NO: and COMP NO: fields. You can confirm that the property and component number match the record in the FAS Property File by interrupting to 40 (screen S040).

3. Type the sequence number (usually 0001) in the SEQ NO field.

4. Type the Transaction Code in the FAS TC field appropriate for the class code of the property number being disposed. The Transaction Code will be DS1, DS2, DS3, DS4, or DS5. (You can interrupt to 30 (S030 screen) and recall TABLE-ID-NUMBER 15 to review the transaction codes.)

5. Type one of the following status codes in the STATUS field.

   - D (disposed) - for a full disposition.

   - U (in use) - for a partial disposition

   - I (idle) - for a partial disposition

   - S (in storage) - for a partial disposition

   - L - for a partial disposition

NOTE: Partial dispositions record the status of the *remaining* portion of the asset. (You can interrupt to (S030 screen) to recall TABLE-ID-NUMBER 06.)

6. Type a disposition code (e.g., S (if Sold), D (donated or scrapped), etc.) in the DSP MTH field. (You can interrupt to 30 (S030 screen) to recall TABLE-ID-NUMBER 22 for more disposition codes.)

7. Type the amount of cash actually received in the ADT AMT field.

8. Type the disposition percentage in the DISP % field.

   ▪ For a full disposition, type 100.

   ▪ For a partial disposition, type a leading zero and two digits. For example, type 017 for a disposition percentage of 17%.

9. Type the disposition date in the ADT DATE field.

10. Type the quantity in the QTY field.

    ▪ For a full disposition, the quantity should equal that of the asset in the FAS Property File.

    ▪ For a partial disposition, the quantity must be greater than zero but less than the quantity of the asset in the FAS Property File.

11. Press F1 or ENTER to post the record to the FAS Property File.

    ▪ If you do not have disposition-release authority (i.e., approval level 3 or lower), 'INVALID APPROVAL LEVEL' will appear in the message section of the screen, and the status in the FAS Hold File record will be 'H'. You will need to exit the record.

    ▪ If you have disposition-release authority (i.e., approval level 4 or greater), 'RECORD ADDED' will appear in the message section of the screen and there will be a 'P' in the FAS Hold File record.

MULTIPLE ASSET DISPOSITIONS FROM STARS

The easiest way to process multiple asset dispositions is to:

- Print a hard copy of the record that is in the Hold File.
- Enter the disposition of each asset directly in FAS (S035)
- Delete the record that is in the Hold File.

The difference between single and multiple asset dispositions is to keep track of the Remaining Amount that is shown on the record that is in the Hold File. For a multiple asset disposition, a generic or 'dummy' number - for the property and component number - should have been entered into STARS.
You want to make sure you dispose of each asset for the correct amounts so that the total of the dispositions equals the *original* remaining amount shown on the record from STARS in the Hold File.

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TO SELECT THE RECORD FROM THE HOLD FILE

Follow the steps to select a record for single asset dispositions.

DATA ENTRY STEPS FOR FAS DIRECT DATA ENTRY SCREEN S035

Follow the steps for single asset dispositions.

TO RELEASE A DISPOSITION TRANSACTION

Follow the steps for releasing a disposition for single assets.

Once the dispositions have been processed from the FAS Hold File, the FAS Property File will show a disposition amount, method and percent for each disposed asset. For full dispositions, the disposition date will also be displayed and the STATUS will be '**D**'.

DELETING A DISPOSITION RECORD

The following are examples of when it may be necessary to delete a disposition transaction record from the FAS Hold File:

- A disposition record was extracted into FAS and it represents a single asset sale. However, the sale does not relate to an asset in the FAS Property File. (An asset of less than $300 is not tracked in FAS either for its acquisition or disposition.)
- A disposition record was extracted into FAS and it represents a multiple asset sale. One or more of the assets may not be in the FAS Property File and these amounts would need to be deleted.
- The person who entered a record in STARS notifies you that the wrong funding sources were used to receipt the cash in STARS. This record would need to be deleted so an adjusting transaction can be processed in STARS.
- You may get a disposition for an asset that is not currently in the FAS Property File, but should have been. In this case, the disposition record needs to be deleted from the FAS Hold File.

To delete a disposition record from the FAS Hold File, do the following:

1. Type **32** at the FAS Main Menu and press ENTER.

2. Type an **R** in the **FUNCTION** field and press ENTER to display a list, or page, of records.

3. Once a page of records is recalled, select an individual record to be updated, by typing an **S** in the **FUNCTION** field then pressing TAB until you reach the **S/X** column.

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4. Type either an **S** or an **X** in the **S/X** column next to the record you want to select, and press ENTER.
   NOTE: Disposition records that originated in STARS will show an 'S' in the SRC (source) column.
   Typing a specific property number and component number combination is optional. If you do input property and component numbers, that record will be shown first in the list of records.

5. When you have recalled the record you want, Type **D** in the **FUNCTION** field and press F1 or ENTER. The status will now be displayed on the record as 'D' (deleted).

TRANSACTIONS AUTOMATICALLY GENERATED BY FAS

When you process a disposition in FAS, the following transactions occur:

- FAS posts the disposition to the appropriate fields in the FAS Property File.
- FAS automatically generates a transaction to remove accumulated depreciation in the FAS Property File. Transaction codes that remove accumulated depreciation are in the RD1-RD4 range. You do not need to type these codes, since the system automatically does it for you.
- If the asset is fully disposed, all of the accumulated depreciation is removed.
- For partial dispositions, the accumulated depreciation is multiplied by the disposition percentage. The result of that calculation is the amount that is removed from the accumulated depreciation file.
- FAS calculates whether or not there was a gain or loss on the disposition of the asset. The codes for gains and losses are automatically generated and require no additional action on your part.
- If there was a gain, a transaction code in the G01-G05 range is generated.
- If there was a loss, a transaction code in the L01-L05 range is generated.
- In addition to the activity in the FAS Property File, transactions are also sent to STARS on some dispositions. If the asset has a Capitalization Indicator of '**S**', it means the asset is reported in the Comprehensive Annual Financial Report (CAFR). For these assets the general ledger in STARS must be updated. FAS will automatically send the appropriate information to STARS to remove accumulated depreciation, record gains or losses, and remove the asset (or the applicable portion of the asset) from the appropriate general ledger accounts.